

Introduction to Financial Aid

Lesson Plan

Lesson Objectives:

- The learner will define financial aid.
- The learner will list examples of various types of financial aid.
- The learner will define financial aid terms.

Materials:

- Financial aid presentation
- Financial Aid Vocabulary
- Financial Aid Worksheet

Introduction:

- The teacher will demonstrate the importance of financial aid planning by discussing the following:
 - Ask students: What is financial aid? Who is eligible for financial aid?
 - Financial Aid includes all of the ways a student may pay for post-secondary education of any sort with the exception of self-pay/out of pocket. This includes TOPS, scholarships, grants, loans, work study programs, etc.
 - Post high school education/training can range from thousands to tens of thousands of dollars per year.
 - Financial aid planning may seem complex.
 - By developing a thorough knowledge of the financial aid process, it is possible to put together a plan that makes it easier to pay for post-secondary education/training.

Instruction:

- Present the financial aid presentation to students.
- Distribute the Financial Aid Vocabulary handout and review with students.
- Distribute the Financial Aid Worksheet and give students time to complete.
- Review the answers.

Closure:

- Students complete a reflective journal entry to the following question: “Why is it important to understand the financial aid planning process as I prepare for life beyond high school?”
- Teacher will solicit volunteers to share their journal entries.

Financial Aid Vocabulary List

AGI (Adjusted Gross Income): A family's wages, salaries, interest, dividends, etc., minus certain deductions from income as reported on the federal income tax return.

Award Letter: An offer of financial aid from a postsecondary education institution. It states the type and amount of financial aid the school is willing to provide if the student accepts admission and registers to take classes at the school.

Cost of Attendance Budget (COA): The yearly cost to attend college. This amount includes tuition and fees, room and board (housing and food allowance), books and supplies, transportation, loan fees, dependent care if applicable, and miscellaneous and personal expenses. This total along with the EFC is used to determine financial need.

Dependent Student: A student who does not meet any of the criteria for an independent student. An independent student is one of the following: at least 24 years old, married, a graduate or professional student, a veteran, a member of the armed forces, an orphan, a ward of the court, or someone with legal dependents other than a spouse, an emancipated minor or someone who is homeless or at risk of becoming homeless.

Direct PLUS Loan (Parent Plus Loan): A loan made by the U.S. Department of Education to graduate or professional students and parents of dependent undergraduate students. The borrower is fully responsible for paying the interest regardless of the loan status.

Direct Subsidized Stafford Loan: A federal financial need based loan in which the federal government pays the interest on the loan while a borrower is in school.

Direct Unsubsidized Stafford Loan: A federal loan for which the borrower is fully responsible for paying the interest on the loan regardless of the loan status. The interest on this loan accrues from the date of disbursement and continues throughout the life of the loan.

Expected Family Contribution (EFC): A number that determines students' eligibility by the information provided on the FAFSA. The Financial Aid Office will use this number along with the Cost of Attendance Budget to determine financial need.

FAFSA (Free Application for Federal Student Financial Aid): The application completed every year by students and parents who are applying for financial aid.

Federal School Code: A six-digit code that is assigned by the U.S. Department of Education for schools. It is placed on the FAFSA to indicate which schools have been selected to receive the financial aid application information.

FSEOG (Federal Supplemental Educational Opportunity Grant): A federal grant awarded to financially needy students to assist in paying their educational costs.

Federal Work Study Program (FWS): A federal program that provides part-time employment to students who need the funds to help meet the cost of postsecondary education. It also encourages students to participate in community service activities.

Fees: A charge per credit or clock hour. In some cases it could be charged per semester or quarter. These amounts are assessed at the time a student registers for classes.

Financial Aid: Any federal, state, institutional, non-profit or private funds to help pay for postsecondary education.

Financial Aid Office: An office at a postsecondary education institution. They are responsible for preparing and communicating information on financial aid. They also help students apply for and receive all types of financial aid.

Financial Aid Package: The total amount of financial aid (federal and nonfederal) a student is offered at an institution.

Financial Need: The difference between the cost of attendance (COA) at the school and the student's Expected Family Contribution (EFC). The cost of attendance varies from institution to institution, but the EFC doesn't change based on the school he or she attends.

Go Grant: A state grant for students with low to moderate income that need additional aid to afford the cost of attending a post-secondary institution. A student must be a Louisiana resident, file a FAFSA, receive a federal Pell grant, have remaining financial need after deducting the EFC from the COA, and must be enrolled at an eligible Louisiana institution on at least a half-time basis (minimum 6 hours at a semester school or 4 hours at a quarter school).

Independent Student: A student who is one of the following: at least 24 years old, married, a graduate or professional student, a veteran, a member of the armed forces, an orphan, a ward of the court, or someone with legal dependents other than a spouse, an emancipated minor or someone who is homeless or at risk of becoming homeless.

Institutional Aid: Aid funded by postsecondary institutions. Often it is merit or financial need-based and may require some additional obligations.

Iraq and Afghanistan Service Grant: This grant provides money to college or career students to help pay their education expenses. A student must meet the special eligibility criteria.

Master Promissory Note (MPN): is a legal binding document used when a person is applying for a student loan. When this document is signed it is an agreement to repay all loans made. You must repay even if you do not complete or are not satisfied with the degree.

Need-Based Aid: Aid based on a student's financial need. Typically this aid goes to low-income students.

Pell Grant: Financial aid that doesn't have to be repaid (unless, for example the student withdraws from school and owes a refund).

Private Loans: A nonfederal loan made by a lender such as a bank, credit union, state agency, or a school. A credit check is associated with this loan and a co-signer may be necessary. The interest on this loan is higher than a federal direct loan with a variable rate that changes over time.

Room and Board: An allowance for the cost of housing and food while attending a postsecondary education institution.

Satisfactory Academic Progress: A school's standards for adequate academic progress toward a degree or certificate offered by a postsecondary education institution. Satisfactory Academic Progress varies from institution to institution. A student must check with the institution to find out its standards.

Scholarships: Funds awarded to students based on academic or other achievements to help pay for postsecondary education.

TEACH (Teacher Education Assistance Service Grant): A federal grant that provides up to \$4,000 per year to students who agree to teach for four years at an elementary school, secondary school, or educational service agency that serves students from low-income families and to meet other requirements. If the service obligation is not met, the grant is converted to a Direct Unsubsidized Loan.

TOPS (Taylor Opportunity Program for Students): A scholarship for Louisiana residents who attend one of the Louisiana Public Colleges and Universities, schools that are a part of the Louisiana Community and Technical College System, Louisiana approved proprietary and cosmetology Schools or institutions that are a part of the Louisiana Association of Independent Colleges and Universities. There are four different award components: TOPS Opportunity Award, TOPS Performance Award, TOPS Honor Award and TOPS Tech Award.

Tuition: Is the amount charged by credit or clock hour for all programs of study.

Tuition Payment Plan: A plan allowed for students and families to pay tuition in monthly installments rather than one lump sum. An enrollment fee will apply and other fees may apply as well.

U.S. Department of Education: The federal government department in charge of the administration of all federal programs, standards and aid relating to education and the student population.

Introduction to Financial Aid

Worksheet

Directions: Write the appropriate term from the word bank beside each of the definitions.

Need-Based Aid
Student Loan

TOPS
Grant

Financial Aid
Merit-Based Aid

Scholarship
FAFSA

_____ Aid received and based on a student's skill or ability.

_____ Aid received based on a student's financial need.

_____ (Free Application for Federal Student Financial Aid) the application completed every year by students and parents who are applying for federal and/or state financial aid.

_____ Money awarded to students based on academic or other achievements that help pay for the cost of school/training. In most cases they do not need to be repaid.

_____ Financial aid, often based on financial need, that help pay for the cost of school/training. In most cases they do not need to be repaid.

_____ Money borrowed to pay for educational expenses. They have to be repaid or have specific conditions met to nullify.

_____ A scholarship for Louisiana residents who attend one of the Louisiana Public Colleges and Universities, schools that are a part of the Louisiana Community and Technical College System, Louisiana approved Proprietary and Cosmetology Schools or institutions that are a part of the Louisiana Association of Independent Colleges and Universities. There are four different types of awards.

_____ Any federal, state, institutional, non-profit or private funds to help pay for postsecondary education.

What is the first step to receiving federal aid of any kind?

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Need-Based Aid

Aid received based on a student's financial need.

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Scholarship

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Student Loan

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Financial Aid

Any federal, state, institutional, non-profit or private funds to help pay for postsecondary education.

What is the first step to receiving federal aid of any kind?

To fill out the FAFSA (Free Application for Federal Student Financial Aid)